

200401025686 (664194-V)

**Malaysian Reinsurance Berhad
(Incorporated in Malaysia)**

Directors' report

The Directors have pleasure in submitting their report together with the audited financial statements of Malaysian Reinsurance Berhad ("the Company") for the financial year ended 31 March 2023.

Principal activities

The Company is principally engaged in the underwriting of general reinsurance, general retakaful and family retakaful businesses.

There have been no significant changes in the nature of this principal activities during the financial year.

Ultimate holding and financial holding company

The ultimate holding and financial holding company is MNRB Holdings Berhad ("MNRB"), a company incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

Results

	RM'000
Net profit for the financial year	<u>81,347</u>

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements. In the opinion of the Directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year.

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Share capital and debentures

There were no changes in issued and paid-up capital of the Company during the financial year.

On 26 October 2022, the Company issued RM200,000,000 nominal value subordinated medium term notes ("MTN") which qualifies as Tier-2 capital under the Risk-Based Capital Framework for Insurers ("RBC") issued by Bank Negara Malaysia ("BNM"). The subordinated MTN carries a tenure of ten (10) years from issue date on a 10-years, non-callable 5-year basis with a fixed interest rate of 5.21% per annum payable semi-annually in arrears.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company since the beginning of the financial year to the date of this report.

Directors

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

George Oommen

Khalid Sufat

Zaharudin Daud

Velayudhan Harikes

Datin Joanne Marie Lopez

(Appointed with effect from April 1, 2023)

Datin Zaimah Zakaria

(Resigned with effect from April 1, 2023)

In accordance with Clause 22.3 of the Company's Constitution, Zaharudin Daud will be retiring at the forthcoming Annual General Meeting and being eligible, offers himself for re-election. Datin Joanne Marie Lopez who was appointed as a Director on April 1, 2023 will retire pursuant to Clause 22.5 of the Company's Constitution and being eligible, offers herself for re-election.

Directors' benefits

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors from the Company or the fixed salary and benefits receivable as a full-time employee of the Company as disclosed in Notes 11, 12 and 34 to the financial statements or benefits receivable from related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest to be disclosed under Part 1, Section 3 of the Fifth Schedule of the Companies Act, 2016.

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Directors' indemnity

During the financial year, the ultimate holding company, MNRB, purchased a Directors' and Officers' Liability Takaful cover to provide indemnity to all Directors of the MNRB Group ("the Group") for a limit of RM50,000,000 at a contribution of RM100,430.

Directors' interests

According to the register of Directors' shareholdings, none of the Directors in office at the end of the financial year had any interest in shares of the Company or its related corporations during the financial year.

Corporate Governance disclosures

The Company has complied with the prescriptive requirements of, and adopts management practices that are consistent with the principles prescribed under, BNM's Policy Document BNM/RH/PD 029-9 on *Corporate Governance ("PD CG")*. The Company is committed to the principles prescribed in this PD CG to ensure public accountability at all times.

Further details are disclosed on pages 6 to 41.

Other statutory information

- (a) Before the statement of comprehensive income and statement of financial position of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that there was adequate provision for its insurance and takaful contract liabilities in accordance with the valuation methods prescribed under Part D of the RBC and Part B of the Risk-Based Capital Framework for Takaful Operators ("RBCT") ("the Frameworks") issued by BNM;
 - (ii) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and
 - (iii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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Other statutory information (cont'd.)

- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charges on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
 - (ii) any contingent liabilities of the Company which has arisen since the end of the financial year other than those arising in the normal course of business of the Company.
- (f) In the opinion of the Directors:
 - (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Company to meet its obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

For the purposes of paragraphs (e)(ii) and (f)(i) above, contingent or other liabilities do not include liabilities arising from contracts of reinsurance/retakaful underwritten in the ordinary course of business of the Company.

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Auditors and auditors' remuneration

The retiring auditors, Messrs. Ernst & Young PLT, have expressed their willingness to be reappointed. Details of the auditors' remuneration are disclosed in Note 11 to the statutory financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 21 June 2023.



George Oommen

Kuala Lumpur, Malaysia



Zaharudin Daud